

And look what happened. That response to troubling economic times drew upon the leadership. It produced the leadership. It gave it a face and it gave it a voice. The message was: We're going to build. We're not going to cut our way to prosperity, cut our way to opportunity, cut hope. We're going to build hope. We're going to build and invest in America, her workers.

Our best days lie ahead of us, Representative GARAMENDI. Thank you for the chance of joining you this evening.

Mr. GARAMENDI. Thank you, Mr. TONKO.

I notice that we still have a minute. I see my Republican colleagues are going to take the floor in a few moments. If I recall last week when they did this, they said the answer lies in doing away with regulations. Clearly, regulations are a piece of the issue.

Mr. TONKO. Were those regulations the same regulations we wanted to take away from Wall Street?

Mr. GARAMENDI. I would hope that they don't want to eliminate the regulations that we put in place to bring Wall Street under control. But regulations are a small part of the overall problem.

There is a large number of other issues, some of which we've talked about today, others of which we will bring up as we discuss, for example, infrastructure, which will be our next piece. But those regulations that are in place today are there for the protection of key parts of the American economy—worker safety, the pollution regulations so that our streams and rivers are not polluted, our air is not polluted, so there's not mercury and other carcinogens in the air, and regulations dealing with the way in which business operates. Now, they can be modified; but be very, very careful if that is your only solution to the demise of the manufacturing sector, because it is but a small part of the overall issue.

We've discussed many of the other parts here today. We ought to be, all of us, Democrat and Republican, alike in dealing with the twin problems: the trade deficit, and the extraordinary and disastrous loss of manufacturing jobs. This is where the American middle class lost it when the American manufacturing sector declined. We can rebuild it with wise public policies. Wise public policies are what we ought to be doing, rebuilding the American manufacturing sector and reigniting the American Dream as we do that.

Mr. Speaker, I yield back the balance of my time.

SOLUTIONS FOR AMERICA

THE SPEAKER pro tempore (Mr. YOUNG of Indiana). Under the Speaker's announced policy of January 5, 2011, the gentleman from Iowa (Mr. KING) is recognized for 30 minutes.

Mr. KING of Iowa. Mr. Speaker, it is my privilege and honor to be recognized by you to address you on the floor of the House of Representatives.

It's also my privilege to be here to listen to the presentation of the gentlemen from essentially the east coast and the west coast present their version of solutions for the United States of America.

If I can just take that, Mr. Speaker, and roll it backwards from bottom to top rather than top to bottom. I hear their concern—and I share concerns—about the loss of American manufacturing and the loss of American trade and the trade deficit that we do have. I hear the advice, which is we should have wise public policies that we should advance going forward that would be good for American manufacturing, good for American trade, that would bring about the refurbishment and the renewal of American manufacturing and bring about a balance in trade and perhaps a surplus in exports, which is good for this country because we would rather collect IOUs than issue IOUs.

I agree with the gentleman on both of those points, and I suspect we don't agree on how to get there to those points, Mr. Speaker. But I would make this point, that the United States has been a very strong, industrial Nation. In fact, at the end of World War II, we were the only industrialized nation in the world that had an established, globally competitive industry that had not been devastated by the war. We had a surplus of exports because here in the United States we could produce things, we could make things, we could export them to the rest of the world, and we did. We did it with military supplies. We did it with all kinds of industrial supplies. The United States of America was the industrial powerhouse of the world. Much of the rest of the industry had been destroyed, and we had built ours up in that period of time in order to supply the global World War II war effort. So the United States' industry was the preeminent industry in the world.

Why was it?

Because of the reasons I've said, plus we were competitive. We had a wage and a salary and a benefit package that was competitive. We had American workers that were more productive than any other workers in the world. We had a well-educated workforce. We had a work ethic. We had a work ethic where we took great pride in being able to go to work. If we punched the clock, we produced more per hour that we were out there on the floor of that factory than anybody else in the world because of a number of reasons: American ingenuity, American industriousness, and America's work ethic. We did those things, and we set the standard for the world. That carried us beyond World War II, through the fifties, through the sixties, through the seventies, into the eighties, and actually into the nineties.

Over a period of time, as the gentleman's charts show, America's industry began to lose its competitive advantage with the rest of the world, and the rest of the world began to catch up.

□ 1850

I saw the signs of that. I saw the signs of it in the fifties, when we would get close to New Year's—and just think of Japan, Japan devastated in World War II. A lot of their production facilities were in homes, not in factories. And they had factories too. And they were bombed, and they were burned, and they were destroyed, and the tragedy, all that is part of history that I don't care to address here tonight, Mr. Speaker.

But in the aftermath they needed to start up something. They needed to produce goods and services that had a marketable value, both in Japan and abroad, and they did. And the things that showed up here were paper goods, little things like when it came time to celebrate New Year's, there would be a little Japanese whistle that would blow out like the tongue of the dragon and roll back up again. That way we got those paper products coming from Japan because that's what they could do. They could make them. They could produce them. They could sell them. They could make a little money selling those things to Americans. And that would be in the fifties.

In the early sixties, what came along? Well, transistor radios. And there would be the Toshiba radio, Japanese-made, portable transistor radio that you could carry around with you out on the farm and listen to the radio. How about that? What an idea of an invention.

I didn't mean that that was a Japanese idea. It was a Japanese-produced idea that could compete with the American production. And so they sold radios, made in Japan, into the United States, and a lot of young American kids carried those Toshiba radios around, and other portable radios, in order to listen to rock music of the time. They didn't have talk shows at that time, not that I remember anyway.

And so slowly the Japanese began to ramp up their industry. They went from paper toys to radios, to optical equipment. Some of the best optical equipment in the world was produced in Japan. It still is, for that matter. And so they made binoculars and cameras, and they created a culture of people that love their cameras, and they evaluate those cameras made in Japan and how they compete with the rest of the world. And if you watch the Japanese tourists, they're here using their cameras on a regular basis.

Now, all the ways they've ramped up to be able to compete with the rest of the world, here we sat in the United States thinking that somehow or another this wave that we had caught would forever carry us, and our industry slowly began to atrophy, slowly began to lose its competitiveness.

And it reminds me of a study that was done by a Russian economist who was commissioned by Lenin back in the second decade of the 20th century, when Lenin decided that he wanted to

find an economist who would prove that capitalism would eventually expire, that it was a self-defeating economy. So he hired an economist, or ordered him to produce a product, and his name was Kondratiev.

Well, the economist Kondratiev put together the theory that Lenin had directed him to produce, which is that capitalism would expire, that it was self-defeating, that even though it might have brief bursts of success, eventually that it would run out of energy and it would expire and diminish and, essentially, that would be the end of the wave of capitalism.

So Kondratiev sat down, and he chartered the free enterprise economy going clear back to the 18th century and earlier, and he tracked unemployment, gross domestic product, the output of the nations, and followed the industries. And when he tracked this cycle of capitalism in the effort to prove his charge that had come from Lenin, it was this: That yes, capitalism does decline, that the capital investment and the unemployment and the GDP of the countries that have free enterprise economies does diminish, but it diminishes down to a point where it regenerates itself again.

And when looked at, and this was a study that was back in the dusty volumes at MIT University and much forgotten about until there was a computer study that was done, and somebody remembered that they had read Kondratiev's study that was back in the annals at MIT. Now, they went back and dusted it off and compared it to the modern computer analysis which now is a generation old, and they concluded that the computer analysis of the cycles of capitalism matched that of Kondratiev, whose theory was this: that we have a 52-year cycle.

Now, I don't stand on that it's 52 years or 75 or 25 or any year other than that. But the theory that he uses to explain his 52-year cycle is instructive to all of us, and that's this: That when you hit the bottom economically, when your GDP has bottomed out, when your unemployment rate is at the top, and when your capital investment is at the bottom, you look around, as a society, a culture, and economy, and you think we have to do something. What are we going to do?

And the psychology of that is that all of us sitting at the bottom of the economic cycle, with high unemployment, low GDP and low capital investment, we see that if we keep doing the same thing over and again, we're going to end up with the same result. And we don't like where we are. We don't want to be where we are in 4 or 5 or 10 or 20 years or a generation or two, so what will we do that's different?

And I've lived through this a time or two, especially during the farm crisis years of the eighties, when I saw that land values were spiraling downwards to perhaps as low as a third of what they were just a few years before, market prices going downwards the same

way. We rely on rain. It couldn't rain. The markets didn't produce the value for the crops that could be raised, and the land values went down. Everything was spiraling downwards.

But what was going on was the manifestation of Kondratiev's theory springing up, and people who had no immediate hope economically began to put together a strategy for the long term so that we would have a successful economy. And it matched almost perfectly with Kondratiev's theory, the Russian economist's theory, which is that when your economic cycle reaches the bottom, and everything is sitting down here with the low capital investment, high unemployment, low GDP, people are looking for a way to solve those problems. So their creativity kicks in and they begin to think and talk and dream and pray about what kind of ideas can come to fruition to reverse the cycle, the downward cycle that they are in.

And so they begin to come up with new inventions, and they come up with new efficiencies. They come up with new business models. And as these ideas are generated, the ideas have to catch the kind of energy that can attract capital.

Now, there's not as much capital in a low economy as there is in a high economy, but there's much more demand for it. And so you go out with your ideas and you market them, and you attract the capital to generate these ideas.

This is what we did at the beginning of the dot-com bubble. If you remember, we learned here the creativity of a bad economic cycle was a contributing factor to developing the microchip and the ability to store and transfer information more effectively and more efficiently than ever before. And thus was born the dot-com bubble, the creation of the boom of the dot-com.

And that was, once investors saw that ability to store and transfer information more effectively, more efficiently than ever before, they began to invest in it because they believed that transferring that information, storing and transferring it, turned into a profit share. So they invested their capital, and the profit share began to get injected into the dot-com, and the dot-com bubble was born.

Now, the mistake with the dot-com bubble was just an adjustment in investment. But what really happened was there was an overexuberance in investment during the dot-com bubble years, and those were the years that the middle of the nineties were the beneficiaries of. The overexuberance in investments reflected the understanding of the investment community, the attraction of capital to these dot-com ideas, these creative ideas, to store and transfer information more efficiently than ever before.

The creativeness of that was not regulated by this realization that storing and transferring information didn't necessarily translate into profit; that

it had to create efficiencies in order to be translated into profit. So we had an overexuberance in investment. The dot-com bubble began to swell. And when, under the Clinton administration, the Justice Department filed a lawsuit against Microsoft, that was the lance that pierced the dot-com bubble. The dot-com bubble collapsed.

But the growth that came was the growth that came from the understanding that we had created an ability to be more efficient than ever before, and the adjustments were in the aftermath.

Well, that fits exactly within Kondratiev's theory. We had hit the bottom economically. The creative people were looking around for something that they could do to change that paradigm. And what they came up with was the microchip and the other tools of software that allowed us to store and transfer information more efficiently than ever before, and being able to do that caused people to invest more, start new businesses, to transfer efficiencies around the country, and to increase our efficiencies.

If you think for example, just in the trucking industry, the software packages that would allow truck dispatchers to click the mouse rather than make a judgment decision and send a truck to Portland that could drop a load off there and go to Seattle and circle back through Montana and drop off a load and come back to the warehouse in, say, Des Moines, for example. Many more efficiencies were created by software packages that made the decisions instead of fallible mortals that were using judgment calls while they were under stress on the fly.

□ 1900

All of those things fit back to Kondratiev's theory, his theory that during hard economic times you would generate ideas. Some of those would be good ideas. The good ideas would attract capital. The capital would be invested. The invested capital would bring about new technology. The new technology would bring about increased efficiencies. Increased efficiencies increase productivity. Increase the GDP, the gross domestic product, increase GDP. Of course it was good for the wealth of the Nation. And once you reached the apex of growth in the GDP, you ended up with a sense of success, a sense of complacency where we have arrived, we have invested our capital, we have invented our new methods to produce more goods and services more efficiently than ever before, and we've translated that into profits. Now, let's just keep this ball rolling down the road.

As you keep the ball rolling down the road—you don't realize it at the time, but the complacency of the continued day-to-day success brings about that idea of let's just hold on. Let's not create new. Let's just ride this out. And societies, economies, cultures ride out the successes. When they ride out the

successes—if competition doesn't catch you first from a foreign country—even- tually those successes are riding on the capital investment of decades gone by, and the efficiencies diminish in propor- tion to the depreciation of these cap- ital investments and also in proportion to the creativity of the competing economies. When that happens, you don't know it, but you're going down- hill.

I think of a poster that I saw in a friend of mine's house years and years ago. It is a picture of a little boy sit- ting on a tricycle, and he has his hands on the handlebars and his feet up off the pedals. He's got a big grin on his face, and his hair is blowing back be- hind his head. Underneath the poster picture, it says: If you're coasting, you're going downhill.

Mr. Speaker, there are many econo- mies in the world throughout history that have reached the apex of their growth and they have decided they like where they are. They get complacent and they begin to coast. If they are coasting, they are going downhill. Each economy, each society, each culture gets to that point where they start to coast and they go downhill. The soci- eties and cultures that see it a dif- ferent way, that understand that you have to constantly be innovating, you have to constantly be creating, you have to constantly find a way to be more competitive, they are the ones that show up in the Super Bowl of the global economy.

When I listen to my colleagues from the east coast and the west coast talk about what's wrong and what we need to fix and we need manufacturing jobs and that we've exported these jobs overseas, I would say to them, you've been advocates for the policies that are protectionism. You tried to protect the union jobs in the United States. You've opposed the free trade agreements that we've negotiated with foreign coun- tries, including South Korea, Panama, and Colombia. And just being the voices of the unions that you rep- resent, you have insisted that we have trade protectionism and that the work- ing conditions and the jobs and the benefits packages that are negotiated in places like Colombia or South Korea be similar to those that are negotiated here in the United States.

Mr. Speaker, we can't change the pol- icy in South Korea; we can't change it in Colombia; we can't change it in Pan- ama; and we can't change it in places like China or other places in the world. They are who they are, and they will compete within the limits of their abil- ity to produce. If we have policies that diminish our ability to compete, then we are going to have a lower market share, and no amount of Congress pos- turing itself for the people that write campaign checks is going to change that competitiveness. We've got to be competitive.

What would I advocate? What is my solution for this? I could go down through the list. They talked about the

American Dream and they talked about trade agreements, and they talked about manufacturing jobs and exporting our jobs overseas and the ex- port of American manufacturing to China. They talked about trade protec- tionism and they want to reignite the American Dream. So do I. I would like to think that it still burns. It burns based upon American liberty, Amer- ican freedom, American opportunity. And what makes this country great would be a wonderful discussion to have between Democrats and Repub- licans here in the United States Con- gress. We seldom have any discussion like that.

What makes this country great? What are the underpinnings that has grown this country into the unchal- lenged greatest Nation in the world? Yes, we have our contemporary trou- bles. We remain the unchallenged greatest Nation in the world economi- cally, culturally, militarily, politi- cally. We're the unchallenged greatest Nation in the world.

Why?

I challenge my colleagues to embel- lish the things that I'm about to say, but I would say this: We have God- given rights, God-given liberty. This is not a manifestation of STEVE KING and the modern world in 2012 telling you something right now. This was a deep conviction of the American Founders that we have rights that come directly from God. We get our rights from God. We don't get them from man. We don't get them from government. If govern- ment gives us rights, then who are we, if government decides to take our rights away, who are we to complain? They are the all powerful. They are the omnipotent, the government.

Our rights come from God, and our Founding Fathers all knew it and they signed off on the Declaration of Inde- pendence. We're endowed by our Cre- ator with certain unalienable rights. These are the rights that are the foun- dation of American vigor. Think about the breadth of what this means.

America has received immigrants from donor nations all over the world. I believe every nation in the world. Why do they come here? Because they are inspired by the American Dream, the image of the Statue of Liberty—not necessarily the inscription, but the image of the Statue of Liberty. It says all of you who come here legally into the United States have an opportunity to access the American Dream. When you access the American Dream, you have an obligation to leave this coun- try and this world a better place than it was when you came. And into that bargain is this: God-given rights.

We are the only country in the his- tory of the world that has been founded upon that principle. Others might as- pire to it, others might look across the ocean here to the United States and as- pire to God-given liberty, but this is the only Nation in the world that is founded upon it. And the beacon that comes out of the Statue of Liberty, the

beacon of that liberty, itself, is what attracts people here to the United States. When they get on that ship or on that plane, or whatever their meth- od of transportation is to legally come into the United States, they come for the dream. They are attracted by the freedom of speech, the freedom of reli- gion, freedom of press, the right to keep and bear arms, the protection against double jeopardy, to be tried by a jury of your peers, to have property rights.

There is a State's right component of this that devolves these powers down to the States so each State can be a laboratory; and the Federal Govern- ment is to be a hands-off minimalist government, not an all-powerful, om- nipotent government.

Mr. Speaker, that vision, that attrac- tion, that magnetism of American lib- erty brings people from all over the world here to the United States.

Who does it bring?

We have the visa lottery, and even that gets a better cross section of the global humanity than you would have if you just went out and did a random selection of 6-plus billion people on the planet and brought 50,000 in under the visa lottery. At least those that sign up for the visa lottery have a dream: They want to come to America.

And 50,000 a year get lucky and cash in on the visa lottery. I think it is a bad policy. And you add the visa lot- tery to the family reunification plan and a number of other plans that we have, and anywhere between 93 and 89 percent of the legal immigrants in America are not measured by their merit, not measured by their ability to contribute to the United States; they are measured simply by their ability, their desire to come here, or if they have a family member to come and join, or if they got lucky in the visa lottery, or if they happen to receive asylum as directed by the Secretary of State or some other method.

□ 1910

But we only have between 7 and 11 percent of legal immigration where we actually set the criteria here in this country. The Constitution says that our job is and that Congress has an au- thority to establish a uniform form of immigration. Well, "uniform," to me, would mean a standard for everybody who comes into the United States, and I would set that policy to reward those people who could most contribute to the United States of America.

Why wouldn't you have an immigra- tion policy designed to enhance the economic, social, and cultural well- being of the United States?

That's the logic and the rationale that we had when the Constitution was drafted and when it was ratified. It should be our logic and our rationale today, Mr. Speaker.

But what's good? There are many good things about our immigration pol- icy, but what's good?

In particular, it is that it has at- tracted the cream of the crop of every

donor civilization on the planet. Every country that contributed immigrants to the United States has sent us their dreamers, their doers, their workers—those people who wanted to access the American liberty and develop out the American Dream.

So, when you think about America as being an appendage of England or Scotland or Ireland or Italy or Ethiopia or Colombia or any other nation on the planet, we're not an appendage of that. We're the country that set up the filter, that screened out those also-rans—those people who had only a mediocre dream—and let through that filter people who had the exceptional dream, the dream that gave them an exceptional energy, an exceptional vision, an exceptional desire to come here and add to American exceptionalism.

American exceptionalism is built upon those liberties, those rights—the freedom of speech, religion, the press, to keep and bear arms, the protection from double jeopardy, property rights, States' rights, to be tried by a jury of your peers. The list goes on. It's all of those things, and free enterprise capitalism is an essential component.

If you want to be naturalized into the United States and if you want to study for the naturalization test, then you can use the flashcards—the glossy flashcards put out by CIS, Citizen Immigration Services—to study in order to become a naturalized American citizen. They have these little flashcards. You look at them, and on one side, it will say a question such as: Who is the Father of our country? Snap it over and it says—we all know the answer, Mr. Speaker—George Washington. Then you pick up the next card, and it might say: Who emancipated the slaves? Snap it over: Abraham Lincoln. The next card: What is the economic system of the United States of America? The President might flunk this, but the answer is—snap it over—free enterprise capitalism.

Those are principles that give us American vigor. When you look at the American vigor and the component of that and at the American vigor that comes from a filter, the filter of the difficulty of legally coming into the United States that skimmed the also-rans out and skimmed the global vigor in and redirected them into the United States, we have this saying: The dreamers came to America. The doers came to America. We are an American vigorous civilization and society of people who came here because they wanted more opportunity than they had in the country that they left. There was only one place they could go that had the opportunity that matches that, and it was the United States of America. They came here to do, and they did. They came for religious freedom. They came to raise their families. They came to leave this country a better place than it was, and they succeeded in all of that.

Mr. Speaker, the United States of America is the unchallenged greatest

Nation in the world because of the fundamental principles, the fundamental rights, the fundamental American liberty—that exercise by dreamers and doers who stood on principle, who came here for religious freedom, for economic freedom, for property rights, for all of the things that are listed and laid out in the Bill of Rights. They were not just a mediocre cross section of the global population. They were the dreamers, the doers. The vigor of the planet came to the United States of America, and this vigorous American character, culture, and personality is unsuitable for the nanny state. It's unsuitable for the nanny state. The nanny state cannot be used and should not be used to oppress a free people—a people of vigor, a people of personality, a people of can-do spirit.

Yet here we are with what happened in the last Congress. The ruling troika imposed upon us Dodd-Frank, ObamaCare, and they tried to impose upon us cap-and-tax. All of them should be rejected by a vigorous American people who will regulate themselves, who will moderate and control themselves, who will set their own moral standards, and who need to have those standards implemented and enforced at the closest level to the people as possible. That's the cities, the counties, and the States, not the Federal Government, Mr. Speaker.

So I think it's important for us to realize and recognize that the American people are a unique race of people, that we are not like anyone else on the planet. We may not look like anyone else, but underneath whatever those looks might be of your idea of what a cross section of Americans are is an American vigor, an American personality, an American culture, a common sense of history, a can-do spirit, people who are members of the society and the culture and the civilization of the unchallenged greatest Nation in the world. We derive our strength from free enterprise capitalism, Judeo-Christianity, Western civilization. That's the core of America, the vigor of America, and that's what we must continue to protect, regrow, and refurbish.

Mr. Speaker, I am aware that the clock is winding down, and whether there is another speaker who is about to arrive, I have more in me, but I would pause for a moment to receive my instruction from the Speaker.

The SPEAKER pro tempore. The gentleman has 30 seconds remaining.

Mr. KING of Iowa. In which case, Mr. Speaker, I would recap this with my gratitude to the American people: We are here. We are putting a mark in place for posterity, and posterity watches us today. They're inspired, and they're informed by the actions of this Congress and by the actions of the President.

As I watch what unfolds here in the continuing growth and dependency and in the growth of the regulatory class in society and as I think about the growth of the nanny state—the nanny state

that seems to think that it can be the protectorate for all of us and that somehow we can't make decisions for ourselves and for our well-being—Mr. Speaker, yes, we can, to quote the President, but not in any foreign language like “*si se puede*.”

Thank you, Mr. Speaker. I appreciate your attention and the opportunity to address you here on the floor of the House of Representatives.

I yield back the balance of my time.

THE WORLD ACCORDING TO OIL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Maryland (Mr. BARTLETT) is recognized for 30 minutes.

Mr. BARTLETT. Thank you, Mr. Speaker.

Oil is about \$100 a barrel. We're in a recession. The United States, just a couple of years ago, used 22 million barrels of oil a day. Now we're using less than 19 million barrels of oil a day, and still oil is \$100 a barrel in the middle of a recession. We are also producing more oil in our country than we did last year for the first time since 1970. The production of oil has increased this last year. Every year before that, the production of oil was lower than it was the preceding year. Now, with Bakken oil, we're producing a bit more than we did last year.

So why, with increased oil production and decreased oil use in the middle of a recession, should oil still be \$100 a barrel?

This is really hurting our economy. It increases the cost of just about everything we use because, if you've got it, a truck probably brought it, and the increased fuel cost increases the cost of just about everything, therefore, that we have.

□ 1920

I believe the most important speech given in the last century was given in 1956 on the 8th day of March in San Antonio, Texas, by an oil geologist known as M. King Hubbard. We need to put his speech in context. At that time, the United States was king of oil. We produced more oil. We used more oil. We exported more oil than any other country in the world.

On this 8th day of March in 1956, M. King Hubbard made an astounding prediction. He said that in just 14 years, the United States would reach its maximum oil production. He wasn't sure what that number would be. But he made the prediction that we would reach our maximum production in 1970, just 14 years later, and no matter what we did, it would continue to go down after that. And from 1970 until about a year or so ago, that was true.

Here I have a chart that shows what has happened to oil production in our country. A whole lot of it comes from Texas, as you can see from the lower dark blue below, and the rest of the United States is the lighter blue above.